

From the depths of darkness, urgent FOCUS permits brilliance . . . 2020

Dear *fi* Holder,

As in past years, our intention was to once again send you a “sneak peek” of our latest flavors, *LimonCello* and *Pastèque*, accompanied by our Annual Report and Proxy Statement. This year we are instead donating our healthy LaCroix to many hospitals and medical institutions nationwide to support and hydrate our hard-working healthcare heroes. For you, our loyal shareholders, enclosed is a coupon entitling you to complimentary LaCroix at a retailer of your choice. We are more committed than ever in our diligence to produce the healthiest hydration possible. Clearly the events of 2020 have encouraged consumers to passionately renew their vow to health, trust and authenticity.



FOCUS . . . Philosophy

Perspicacity defines the caliber of our focus. No other word so clearly describes what we aspire to achieve. Our culture demands *Excellence* in all we do . . . *Vision, Commitment, Passion* and *Execution* are essential elements of our enduring philosophy. This philosophy drives an emotional connection to our brands and the care and love we devote to them. While it may be difficult to simply state, these core values have produced results no matter the *Challenge*.

FOCUS . . . Progression



We closed fiscal year 2020 with two consecutive quarters of year-over-year growth and operating margin improvement. This performance continues as this letter is written. We are pleased that National Beverage is intensifying its momentum, as LaCroix is not only outpacing the sparkling water category, but our nostalgic carbonated soft drink brands, Shasta and Faygo, are showing impressive growth.

FOCUS . . . Phenomenon

LaCroix, the leader in the premium sparkling water category in the U.S., also maintains its leadership in flavor development, creative packaging and its unique, enticing aromas and taste. The floral essence of *Hi-Biscus!* was introduced to our devoted fans, quickly followed by LaCroix *Pastèque*, the luscious flavor of a picnic watermelon. Both soon became favorites of the LaCroix 'sophisticate'! As much as these two new flavors surprised and delighted the LaCroix loyalists, nothing compared to the *Extravagance of Delicious – LimonCello*. Transcending panoramic views of the Amalfi Coast, LaCroix *LimonCello* more than excels in essence, aroma and novel taste and is one of the most successful flavor launches in our company's history.



The name LaCroix and its social standing with Millennials began as an avid fervor and, through the years, a conscious effort was made to satisfy their discriminating expectations. Those expectations have taken that consumer love to a new and magnificent pinnacle, not just in iconic packaging and taste, but to a mindful place of gratification. Today, LaCroix is attracting a significant number of new consumers – predominately GenZ shoppers – following in the footsteps of the Millennials. LaCroix has the highest purchase frequency of any competitive sparkling water brand and over 81% of LaCroix consumers drink at least one or more of their favorite flavors per day. LaCroix captures fan loyalty like no other sparkling water brand.

FOCUS . . . Our Future

We begin fiscal year 2021 with more purpose, more passion and more determination. We will continue to lead through innovation, masterful execution and relentless focus. Our pride, resilience and compassion will *all-ways* enable us to serve up our very best effort in all that we do. We are extremely grateful for the allegiance of our loyal employees, consumers and retail partners. Our indomitable spirit and our steadfast philosophy protect our balance sheet, cash flow and the equity of our devoted shareholders.



Team National